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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/054,240	10/22/2001	Sandhya Narayan		3757

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EXAMINER
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CARLSON, JEFFREY D

ART UNIT	PAPER NUMBER
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3622

DATE MAILED: 02/23/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

<b>Office Action Summary</b>	Application No.	Applicant(s)	
	10/054,240	NARAYAN ET AL.	
	Examiner	Art Unit	
	Jeffrey D. Carlson	3622	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

#### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

#### Status

- 1) ☐ Responsive to communication(s) filed on \_\_\_\_.
- 2a) ☐ This action is FINAL.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

#### Disposition of Claims

- 4) ☒ Claim(s) 1-22 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-22 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_ are subject to restriction and/or election requirement.

#### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

#### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

#### Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)  | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. ____. |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                                   | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)             |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date ____. | 6) <input type="checkbox"/> Other: ____.  |



## **DETAILED ACTION**

### ***Claim Objections***

1. Claims 1-2 are objected to because of the following informalities:
  - Claims 1 and 2 are actually a single claim. Examiner suggests deleting the "2." And renaming the "1" as --2--. Essentially this will result in 21 pending claims, numbered 2-22. Examiner will be referring to the claims in this action as 2-22 rather than 1-22, as if this suggested change has been carried out.
  - Claim 4, --is—should be inserted before "generated."
  - Claim 11, "(called Sacks)" should be deleted.

Appropriate correction is required.

### ***Claim Rejections - 35 USC § 101***

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

- Claims 19-22 are rejected under 35 U.S.C. 101 because they do not provide a useful, concrete and tangible result. The claims merely set forth acquisition and/or trading of coupons. Applicant should include the steps of redemption in order to set forth the required useful, concrete and tangible result.
- Claims 2, 13, 15-21 are rejected under 35 U.S.C. 101 because they are not "within the technological arts." In the present application, the body of the

claims do not set forth at least one computer-based feature responsible for providing a non-trivial feature of the invention. See below.

As an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries". In carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful,

concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson*, 409 U.S. 63, 175 USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the "technological arts". The court developed a "technological arts" analysis:

The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. *In re Toma* at 857.

In *Toma*, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found that the claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* never addressed this prong of the test. In *State Street Bank & Trust Co.*, the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather,

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statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See *State Street Bank & Trust Co.* at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under §101, but rather under §§102, 103 and 112." See *State Street Bank & Trust Co.* at 1377. Both of these analysis goes towards whether the claimed invention is non-statutory because of the presence of an abstract idea. Indeed, *State Street* abolished the Freeman-Walter-Abele test used in *Toma*. However, *State Street* never addressed the second part of the analysis, i.e., the "technological arts" test established in *Toma* because the invention in *State Street* (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the *Toma* test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a §101 rejection finding the claimed invention to be non-statutory. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

In the present application, the body of the claims do not set forth at least one computer-based feature responsible for providing a non-trivial feature of the invention.

### ***Claim Rejections - 35 USC § 112***

2. The following is a quotation of the second paragraph of 35 U.S.C. 112:

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The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

3. Claims 2-21 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

- Claims 2-21, it is unclear whether these claims are method claims or system (apparatus) claims.
- Claims 2-21, the claims are believed to be *intended* as method claims and as such, they should define positive, detailed steps performed rather than define a list of overall achievements. It is unclear how the claimed achievements are actually accomplished. The claims are incomplete for omitting essential steps, such omission amounting to a gap between the steps. See MPEP § 2172.01.
- Claims 3, 5, these claims should set forth limitations regarding steps performed rather than features possessed by the results (coupons) created by the process.
- Claims 8, 9, 11, 13-18, there is no antecedent basis for distributing mechanism, storage system, trading system, verification system, or redemption system. Further, these structural features of systems/subsystems do not make sense in these apparent method claims.
- Claim 9, it is unclear how the database performs the distribution step.
- Claims 5 and 16 are generally not clear to the examiner.

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- Claims 5, 9, 19, 21, the “could be”, “may be”, “can be” language renders the claim scope uncertain.
- Claim 8, it is unclear what “archived sets” are.
- Claim 12, the “but not limited to” phrase renders the claim scope unclear. It is not certain what other features are intended to be included.
- Claim 20, there is no antecedent basis for the buyer, seller or arbiter.
- Claim 22, there is no antecedent basis for the coupons.

***Claim Rejections - 35 USC § 102***

4. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or on an international application by another who has fulfilled the requirements of paragraphs (1), (2), and (4) of section 371(c) of this title before the invention thereof by the applicant for patent.

5. As best understood, claims 2, 4-7, 13-16, 19-21 are rejected under 35 U.S.C. 102(e) as being anticipated by Fortenberry et al (US6336098).

Regarding claims 2, 13-16, 19-21, Fortenberry et al teaches generation, distribution, storage, management, verification and redemption of coupons [abstract]. The act of redemption is taken to provide trading of the coupon with the retailer entity in exchange for cash, products, other value or a combination. The retailer is taken to be a “member” who sets policies for redemption (automatic electronic trading for value).



Regarding claim 4, the process of creating the digital coupon is taken to include the input of at least the parameters of the value and the subject product of the coupon.

Regarding claim 5, this claim sets forth optional features which need not be taught in the art. Nonetheless, Fortenberry et al teaches what are taken to be coupons that can be redeemed/traded for value "on-demand."

Regarding claims 6, 7, Fortenberry et al teaches a coupon database 32.

### ***Claim Rejections - 35 USC § 103***

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

7. As best understood, claim 3 is rejected under 35 U.S.C. 103(a) as being unpatentable over Fortenberry et al in view of Rhoads (US6311214). Fortenberry et al teaches that the electronic coupons can be created in a standardized computer file format [col 3 lines 60-65] and delivered by way of web server 34 which employs the HTTP protocol [col 4 lines 31-38]. Fortenberry et al does not specify any particular requirements for the type of format used for the electronic coupons. Rhoads teaches delivery of electronic coupons to web visitors [col 31 lines 12-18] and further teaches that meta-data can be used with an XML format to communicate data between a server and client, where the meta data can specify parameters of the digital object such as price, etc [col 63 lines 20-26]. It would have been obvious to one of ordinary skill at the

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time of the invention to have provided the coupons with its parameters (price, title, product, expiration, etc coded via the known XML web language.

8. As best understood, claims 8-10 are rejected under 35 U.S.C. 103(a) as being unpatentable over Fortenberry et al in view of Powell (US6067<sup>526</sup>~~256~~). Powell teaches a system for delivering electronic coupons where the delivery mechanism of email is taught [col 12 lines 54-62] which includes storing and tracking delivered coupons for authentication purposes. It would have been obvious to one of ordinary skill at the time of the invention to have provided such tracked email delivery of coupons with that of Fortenberry et al in order to authenticate the coupons.

9. As best understood, claim 11 is rejected under 35 U.S.C. 103(a) as being unpatentable over Fortenberry et al in view of Jovicic et al (US58550~~07~~<sup>07</sup>). Jovicic et al teaches a coupon portal whereby a user may browse his personal coupons stored in memory [col 10 lines 23+, Fig 7]. It would have been obvious to one of ordinary skill at the time of the invention to have provide such personalized online coupon browsing with that of Fortenberry et al.

10. As best understood, claim 12 is rejected under 35 U.S.C. 103(a) as being unpatentable over Fortenberry et al in view of Jovicic et al and Barnett et al (US6336099). Barnett et al teaches electronic coupons which are stored and automatically deleted upon their expiration date [col 4 lines 25-30]. It would have been

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obvious to one of ordinary skill at the time of the invention to have provided such a feature with that of Fortenberry et al in order to eliminate use of expired coupons.

11. As best understood, claims 17 and 18 are rejected under 35 U.S.C. 103(a) as being unpatentable over Fortenberry et al in view of Lidman (US5471669). Lidman teaches the idea of redeeming presented coupons directly into the customer's bank account [col 3 lines 4-15]. It would have been obvious to one of ordinary skill at the time of the invention to have provided such a direct deposit feature with the system of Fortenberry et al in order to instantly credit the consumer. Regarding claim 18 it is well known that coupons require purchase of particular qualifying items and it would have been obvious to one of ordinary skill at the time of the invention to have verified the user's eligibility for such coupon use. In this manner, the coupons are said to be verified.

12. As best understood, claim 22 is rejected under 35 U.S.C. 103(a) as being unpatentable over Fortenberry et al in view of Wang (US6175922). Wang teaches electronic transaction systems whereby two parties making an exchange may encrypt and digitally sign an object (such as a supermarket coupon) during an online transaction [col 18 lines 33 to col 19 line 15]. It would have been obvious to one of ordinary skill at the time of the invention to have provided such features with the coupon transaction/exchange of Fortenberry et al in order that the coupon contents and authenticity of the parties can be verified and trusted.

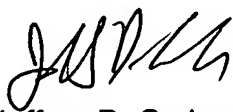
### ***Conclusion***

The examiner will have a new telephone number (571-272-6716) effective April 14, 2005. The examiner's old telephone number (703-308-3402) will remain active until June 14, 2005. Similarly, the telephone number for the examiner's supervisor (Eric Stamber) will change from 703-305-8469 to 571-272-6724.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Jeffrey D. Carlson whose telephone number is 703-308-3402. The examiner can normally be reached on Mon-Fri 8:30-6p, (off on alternate Fridays).

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber can be reached on 703-305-8469. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

  
Jeffrey D. Carlson  
Primary Examiner  
Art Unit 3622